BOTSWANA METALS LIMITED
AND ITS CONTROLLED ENTITIES

ACN 122 995 073

HALF-YEAR REPORT
31 DECEMBER 2013

Lodged with the ASX under Listing Rule 4.2A
This information should be read in conjunction with the 30 June 2013 Annual Report.

BOTSWANA METALS LIMITED AND ITS CONTROLLED ENTITIES
HALF-YEAR REPORT – 31 DECEMBER 2013

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CORPORATE DIRECTORY

Directors:	Mr Patrick John Volpe (Executive Chairman) Dr Paul Woolrich (Non-executive Director) Mr Massimo Cellante (Non-executive Director)
Company Secretary:	Mr Ramon Jimenez
Registered Office:	Suite 506, Level 5 1 Princess Street KEW VIC 3101 Telephone (03) 9855 1885 Facsimile (03) 9855 2885
Share Registry:	Advanced Share Registry Limited 150 Stirling Highway NEDLANDS WA 6009 Telephone (08) 9389 8033 Facsimile (08) 9389 7871
Bankers:	Bank of Melbourne Level 8, 530 Collins Street MELBOURNE VIC 3122
Auditor:	William Buck Audit (Vic) Pty Ltd Level 20, 181 William Street MELBOURNE VIC 3000
Stock Exchange:	ASX Limited Level 45, Rialto South Tower 525 Collins Street MELBOURNE VIC 3000

DIRECTORS' REPORT

Your Directors submit the financial report on the consolidated entity consisting of Botswana Metals Limited ("BML") and the entities it controlled at the end of, or during the half-year ended 31 December 2013.

DIRECTORS

The following persons were Directors of Botswana Metals Limited ("BML") during or since the end of the half-year and were in office for the entire period unless otherwise stated:

Mr Patrick John Volpe
Dr Paul Woolrich
Mr Massimo Cellante

REVIEW OF OPERATIONS

Corporate Activity

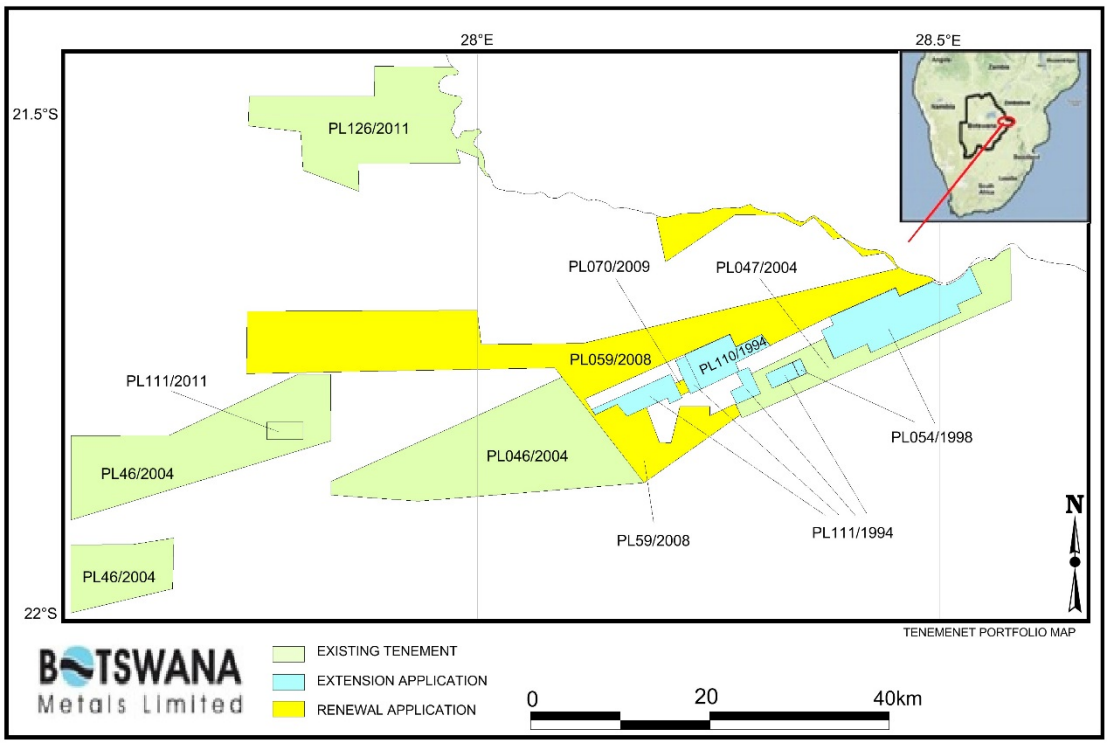
The Consolidated Entity had $387,101 in the Bank as at 31 December 2013.

The following significant matters occurred during the half-year:

- On 11 July 2013 the Company refunded $43,216 to shareholders who subscribed to shares in a non-renounceable rights issue, which was undersubscribed.
- On 5 August 2013 PL 110/94, PL 111/94 and PL 54/98 were granted an extension to 31 December 2013 by the Department of Mines in Botswana ("DOM").
- On 21 August 2013 Mr Ramon Jimenez was appointed Company Secretary and Mr Richard Baker resigned from that role.
- On 28 September 2013, BML lodged three applications for a 24 month extension of PL 110/94, PL 111/94 and PL 54/98 and withdrew its previous applications for retention licences over the areas covered by the three Prospecting Licences (PLs).
- On 8 October 2013 BCL Limited ("BCL") agreed in-principle to amend the Farm-in Joint Venture agreement so that the only condition precedent was that the DOM extend PL 110/94, PL 111/94 and PL 54/98 (rather than issue retention licences) over the areas covered by the three PLs.
- On 28 October 2013, the Company successfully raised $564,471 from a non-renounceable rights issue to shareholders. The Company issued 282,235,323 ordinary fully paid shares at $0.002 per share with one free option for every share subscribed to which are exercisable at $0.015 cents per option on or before the 31 December 2016. The options are listed on the ASX.

Tenure: Prospecting Licences (PL) Portfolio

The following is a location map of the PL tenements held by the Company in Botswana:



A Schedule of Prospecting Licences held by the Group in Botswana is listed in the following table.

Tenement	Renewal / Expiry Date	Percentage Holding	Title Holder
Magogaphate PL 110/94	31/03/2016	100	African Metals (Pty) Ltd
Mokoswane PL 111/94	31/03/2016	100	African Metals (Pty) Ltd
Takane PL 54/98	31/03/2016	100	African Metals (Pty) Ltd
Sampowane PL 46/2004	31/03/2014	100	African Metals (Pty) Ltd
Gobe Shear PL 47/2004	31/03/2014	100	African Metals (Pty) Ltd
Shashe South PL 059/2008	30/09/2013	100	African Metals (Pty) Ltd
Central PL 070/2008	30/09/2013	100	African Metals (Pty) Ltd
Central Sampa PL 111/2011	30/06/2014	100	African Metals (Pty) Ltd
Xia2 PL 126/2011	30/09/2014	100	African Metals (Pty) Ltd

African Metals (Pty) Ltd is a wholly owned subsidiary of the Company.

Minerals Holdings (Botswana) Pty Ltd holds a 5% net profit share interest in PL 110/94, PL 111/94, PL 54/98, PL 46/2004 and PL 47/2004.

The Company did not acquire or dispose of any tenements or beneficial interests in farm-in agreements during the half-year to 31 December 2013.

PL 59/2008 and PL 70/2008

No advice was received from the DOM up to 31 December 2013 in respect to the second renewal application over PL 59/2008 and PL 70/2008 lodged in June 2013.

PL 46/2004 and PL 47/2004.

No activities were carried out in respect of these PLs.

PL 111/2011 & PL 126/2011

A review of previous exploration activities was conducted along with database updating with the objective of formulating exploration plans for 2014.

PL 158/2009 and PL 360/2008

In June 2013, the Company was advised that the DOM had rejected the first renewal application on these two prospecting licences on the basis that the Company did not drill the anomalies identified.

The rejection was made even though the Company exceeded the proposed budget work expenditure program detailed in the application for these licences.

The Company has objected to this determination and in October 2013 received confirmation from the DOM that the objection had been received. No further advice was received from the DOM up to 31 December 2013.

Joint Venture with BCL

BML entered into a Joint Venture agreement with BCL, a major Botswana mining and smelting company owned by the Botswana Government and one of the world's largest nickel-copper producers, Norilsk Nickel.

The agreement relates to three of BML's Prospecting Licences ("PLs") in Botswana where the Company has made three discoveries: Maibele North (nickel, copper and platinum group elements), Airstrip Copper (copper and silver) and Dibete (copper and silver).

Under the agreement, following an initial US$4 million drilling program to earn 40% of the three PLs, BCL has the option to continue to fund the projects to the completion of a Bankable Feasibility Study ("BFS") to earn a 70% interest.

At that point BCL will have the off-take rights at commercial prices, to any ore mined. It is planned to truck ore to BCL's operations at Selebi Phikwe (55km to the SW) for processing.

BML will retain a 30% interest after the BFS is completed, at which time the management of the projects will be transferred to BCL.

The agreement was subject to BML being granted Retention Licences over the PLs by the DOM. However, on 8 October 2013, BCL agreed to change this condition to the granting of an extension of the PLs rather than the grant of retention licences. On 22 January 2014 both parties executed an amended Joint Venture agreement to reflect this change.

Subsequent to the end of the period the DOM extended PL 110/94, PL 111/94 and PL 54/98 for a period of two years commencing from 1 April 2014.

An aggressive drilling program is expected to commence now that the licences have been extended.

The agreement covers approximately 143km^2 of BML's total exploration portfolio of 1,500km^2. BCL will have the first right of refusal to participate in any exploration activity over any of BML's other PLs.

Proposed works within the extended licence period

BML and BCL plan to continue exploration and evaluation of the two projects within the two year period from 1 April 2014. The objective will be to complete a Feasibility Study on both projects utilising the processing and smelting plants at BCL's Selebi Phikwe operations.

The two projects are Maibele North Ni-Cu-PGE project (PL 110/94) and the Airstrip & Dibete Cu-Ag project (PL 110/94, PL 111/94 & PL 54/98).

The initial exploration ($4m) spend by BCL will focus on aggressively drilling these two projects over the three discovery areas to increase the known resources. Additional mineral resources at both Maibele North and Airstrip-Dibete are critical in producing a viable project(s).

If this is achieved, then BCL will fund the Bankable Feasibility Study ("BFS") and earn 70% of the projects along with having the rights to off take ore at commercial rates. The Joint Venture partnership makes sense as the BML discovery projects:

- Are only 55km from BCL's nickel-copper mine, process plant and smelter.
- At Maibele North, the Ni + Cu + PGE mineralisation is similar to that being mined by BCL.
- BCL has established crushing, milling, flotation and smelter plants available that can in effect "toll treat" the joint venture ore. This will significantly reduce any capital outlay in developing the project(s).
- BCL has the marketing and sales team in place with international client base to sell the final product.
- BCL will provide BML and the joint venture with the expertise, logistics and access to plant and equipment.

Review of exploration activity for the six months to 31 December 2013

The following is a summary of exploration activities conducted since 1 July 2013.

PL 110/94 Magogphate

Maibele North

Interpretation of a mapping program was completed in the half year to locate surface extensions of the Maibele North mineralised host sequence which is believed to outcrop to the east of the current deposit. The extensions are believed to be present due to the presence of anomalous geochemistry in stream sediments which include platinum anomalies that may relate to additional Ni-Cu-PGE mineralisation.

Mapping has located outcrops of the ultramafic bodies inferred to have been present from stream sediment geochemistry. The completed fact geology map is shown in Figure 1.

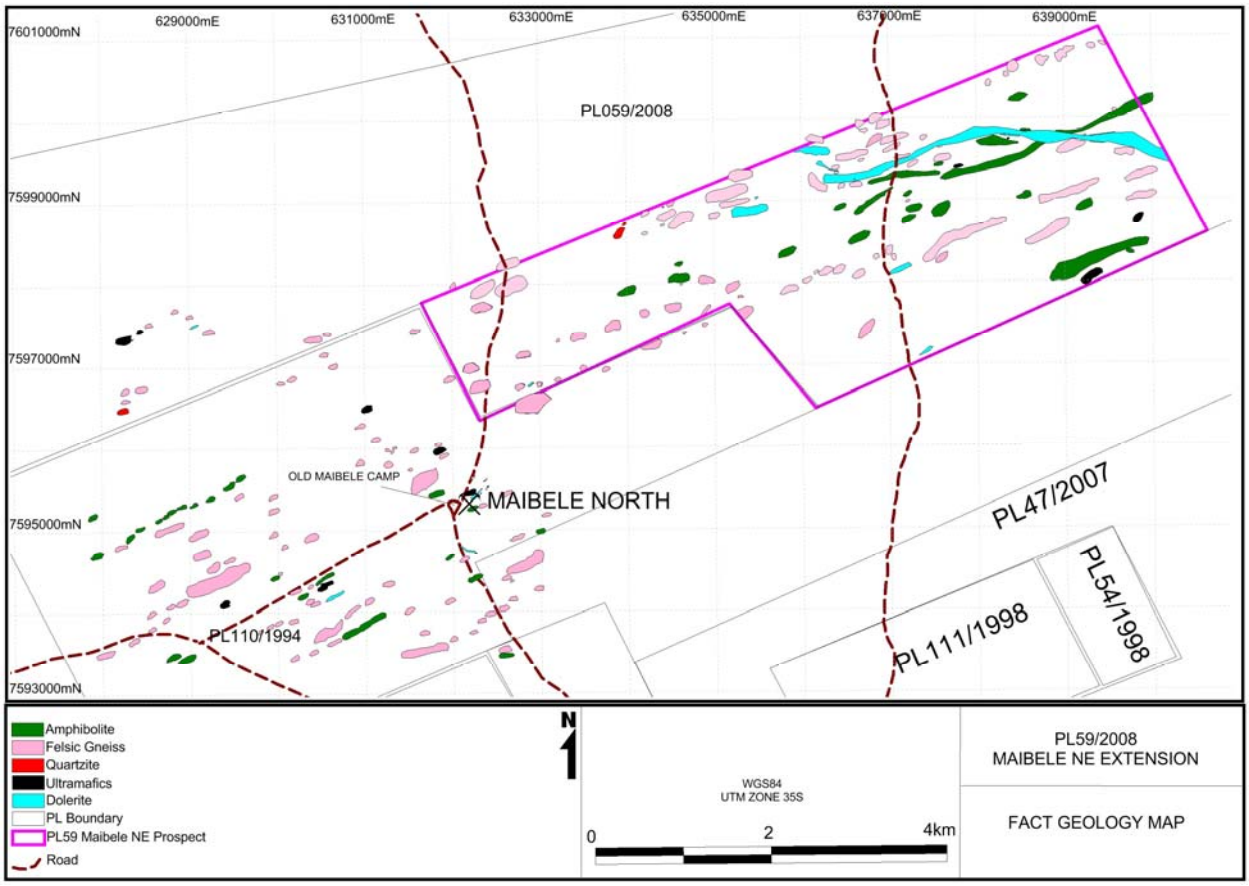


Figure 1 Maibele North Extension area mapping.

Assessment of Maibele North mineralisation will be undertaken by BCL as part of their test work on compatibility of Maibele North ore with their current smelter feed. Initial impressions appear encouraging as BCL considers that the ore appears to have very similar characteristics to that at Selebi Phikwe.

Airstrip Copper Prospect

Interpretation of mapping on areas around Airstrip has revealed outcrops of ultramafics bodies which correspond to recently completed soil geochemical data. Further trenching and infill sampling will be carried out to map out the mineralised sequences. A completed fact geology map is shown in figure 2. Detailed trenching will be carried out to follow up a gossan identified in C6 further west of Airstrip.

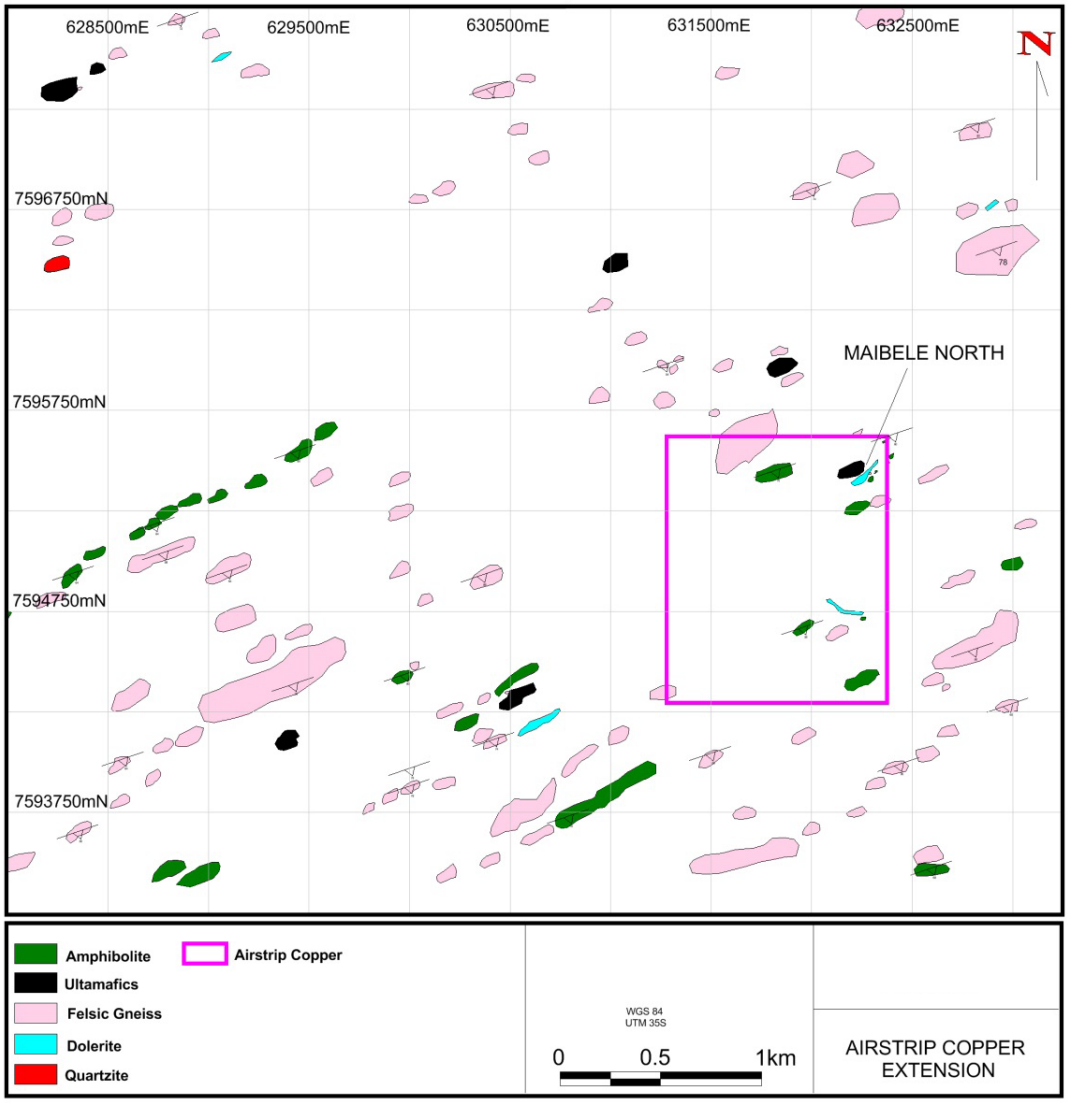


Figure 2. Airstrip extension fact geology map

PL 59/2008 Shashe South

As part of the Maibele North program (see figure 1), mapping continued to be carried out as a follow up to the VTEM anomalies that lie midway between Maibele North and the Mashambe prospects.

It is anticipated that following further soil geochemical surveys and ground geophysics that further drilling targets will be generated.

PL 111/2011 Sampa Central.

Assay results for soil samples collected over the Sampa Central tenement indicate coincident Ni-Cu anomalies which require follow up for potential Ni-Cu mineralisation. Proximity to the Selibi-Phikwe smelter complex would make any significant discovery in this area commercially attractive.

Figure 3 shows the mapping carried out over the Sampa Central tenement and the surrounding area within PL 46/2007. Mapping is ongoing and will continue until the entire fold structure containing the amphibolite and ultramafic rock types has been mapped. Mapping so far shows that the structure is quite complex on a local scale while relatively simple on the large scale.

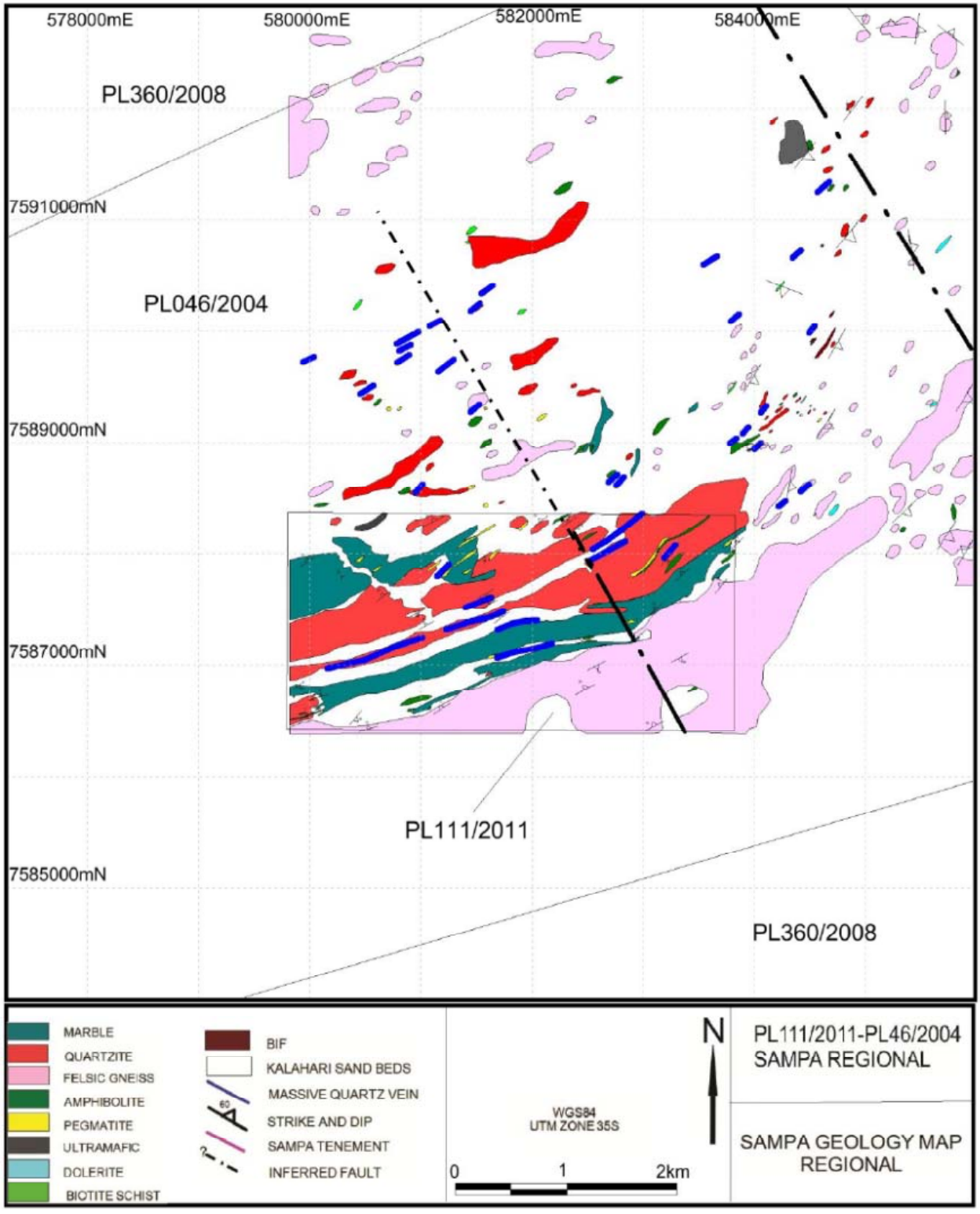


Figure 3: Sampa Central area fact geology mapping.

SUBSEQUENT EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group is not aware of any subsequent events after the end of the reporting period to be included in these financial statements other than:

- On 21 January 2014 the Directors resolved to lift the moratorium on the payment of remuneration to Directors and Executives with effect from 1 January 2014.

- On 22 January 2014 the Group and BCL Limited executed through its 100% owned subsidiary company an amended Farm-in Joint Venture agreement so that the only condition precedent is the Department of Mines in Botswana ("DOM") extending PL 110/94, PL 111/94 and PL 54/98.

- On 19 February 2014 the Company's registered office and principal place of business was moved to Suite 506, Level 5, 1 Princess Street, Kew, Vic 3101.

- On 6 March 2014 the Group received advice that the DOM had extended PL 110/94, PL 111/94 and PL 54/98 for a period of two years commencing on 1 April 2014.

AUDITOR'S DECLARATION

The auditors' independence declaration under section 307C of the Corporations Act 2001 is set out on page 11.

This report is made in accordance with a resolution of the Directors made on 14 March 2014.



P.J. VOLPE
Director

Dated this 14th day of March 2014.
Kew, Victoria

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BOTSWANA METALS LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2013 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

— no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

R. H, Dummett
Director

Dated this 14th day of March, 2014

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Melbourne
Brisbane
Perth
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CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Consolidated	
	31/12/2013	**31/12/2012**
	$	**$**
Revenue		
Other income	**42,534**	54,179
Administrative expenses	**(67,271)**	(76,165)
Depreciation	**(6,802)**	(9,114)
Directors' remuneration	**-**	(30,000)
Employment & consultancy	**(30,862)**	(274,947)
Impairment of deferred exploration expenditure	**-**	(157,156)
Professional fees	**(16,956)**	(21,659)
Travel & marketing	**(4,152)**	(42,804)
Net foreign exchange gain / (loss)	**2**	(363)
Other expenses from ordinary activities	**(115,249)**	(58,371)
Loss from Ordinary Activities before Income Tax Expense	**(198,756)**	(616,400)
Income Tax Expense	**-**	-
Loss from Ordinary Activities after Income Tax Expense attributable to owners of the parent	**(198,756)**	(616,400)
Other Comprehensive Loss that may be subsequently reclassified to profit or loss		
Exchange differences from translation of foreign controlled operations	**15,655**	(162,402)
Total Comprehensive Loss for the half-year attributable to owners of the parent	**(183,101)**	(778,802)
Loss per share:		
Basic and diluted loss per share (cents per share)	**(0.07)**	(0.38)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Consolidated	
	31/12/2013	30/6/2013
	$	$
Assets		
Current Assets		
Cash and cash equivalents	**387,101**	192,926
Trade and other receivables	**28,773**	41,725
Total Current Assets	**415,874**	234,651
Non-Current Assets		
Plant and equipment	**73,011**	115,845
Capitalised exploration and expenditure	**7,270,540**	7,105,794
Total Non-Current Assets	**7,343,551**	7,221,639
Total Assets	**7,759,425**	7,456,290
Current Liabilities		
Trade and other payables	**140,402**	168,119
Total Current Liabilities	**140,402**	168,119
Total Liabilities	**140,402**	168,119
Net Assets	**7,619,023**	7,288,171
Equity		
Issued capital	**14,500,331**	13,986,378
Reserves	**(2,251,938)**	(2,267,593)
Accumulated losses	**(4,629,370)**	(4,430,614)
Total Equity	**7,619,023**	7,288,171

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Issued Share Capital	Share Options Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total Equity
	$	$	$	$	$
Balance at 1 July 2012	13,997,581	90,816	(2,761,415)	(2,235,046)	9,091,936
Net loss for the half-year			(616,400)	-	(616,400)
Other comprehensive income for the half-year	-	-	-	(162,402)	(162,402)
Cost of capital raising	(13,360)	-	-	-	(13,360)
Balance at 31 December 2012	**13,984,221**	**90,816**	**(3,377,815)**	**(2,397,448)**	**8,299,774**
Balance at 1 July 2013	13,986,378	-	(4,430,614)	(2,267,593)	7,288,171
Net loss for the half-year	-	-	(198,756)	-	(198,756)
Other comprehensive income for the half-year	-	-	-	15,655	15,655
Issue of ordinary shares	564,471	-	-	-	564,471
Cost of capital raising	(50,518)	-	-	-	(50,518)
Balance at 31 December 2013	**14,500,331**	**-**	**(4,629,370)**	**(2,251,938)**	**7,619,023**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF- YEAR ENDED 31 DECEMBER 2013

	Consolidated	
	31/12/2013	31/12/2012
	$	$
Cash Flows from Operating Activities		
Payments to suppliers and employees	**(263,266)**	(492,461)
Interest received	**1,449**	10,657
Other income	**45,194**	5,264
Net cash and cash equivalents provided by (used in) operating activities	**(216,623)**	(476,540)
Cash Flows from Investing Activities		
Purchase of non-current assets	**-**	(2,787)
Proceeds from sale of non-current assets	**-**	32,136
Loans to other entities	**(1,607)**	-
Loans repaid by other entities	**2,953**	-
Exploration expenditure	**(104,465)**	(221,411)
Net cash and cash equivalents provided by (used in) investing activities	**(103,119)**	(192,062)
Cash Flows from Financing Activities		
Loans received	**50,000**	-
Loans repaid	**(50,000)**	-
Proceeds from issue of shares	**564,471**	-
Costs of capital raising	**(50,518)**	(13,360)
Net cash and cash equivalents provided by (used in) financing activities	**513,953**	(13,360)
Net increase (decrease) in cash held	**194,193**	(681,962)
Cash and cash equivalents at 1 July	**192,926**	1,446,066
Effect of exchange rates on cash holding in foreign currencies	**-**	(2,698)
Cash and cash equivalents at 31 December	**387,101**	761,406

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF- YEAR ENDED 31 DECEMBER 2013

NOTE 1 BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

Except for cash flow information, these financial statements have been prepared on an accruals basis and are based on historical costs.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2013 annual financial report for the financial year ended 30 June 2013 save and except as follows. AASB 10: *Consolidated Financial Statements,* AASB 11: *Joint Arrangements* and AASB 13: *Fair Value Measurement* have been amended and apply to the Group with effect from 1 July 2013 and the Group's accounting policies have been amended accordingly.

Going Concern

During the half-year the Group generated a loss after tax of $198,756 (2012: $616,400) and incurred net cash outflows from operations of $216,623 (2012: $476,540). As at 31 December 2013 the Group had available cash reserves of $387,101 ($192,926 as at 30 June 2013) and net available working capital of $275,472 ($66,532 as at 30 June 2013). Net investment outflows for the half-year attributable to its exploration program were $104,465 (2012: $221,411). All future planned exploration expenditures are cancellable at the discretion of the Group.

For the 12 months from the date of this report management has prepared a cash flow forecast which contemplates the following significant cash flows:

- future capital raising activities; and
- control of costs, as and where appropriate.

The Company imposed a moratorium on the payment of remuneration to Directors during the half-year to 31 December 2013. Remuneration to Directors will be reinstated from 1 January 2014 at a temporarily reduced rate. Other costs and cash outflows have been considerably reduced as can be seen from the comparative figures for the previous half-year to 31 December 2012.

Its control of costs also assumes that it will be able to reduce cash flows on its exploration program in Botswana through a Farm-in Joint Venture Agreement as described below.

The Company has a proven track record of raising capital to fund its activities.

Should the Group not successfully achieve these assumptions set out as described above, it may be unable to realise its assets, nor acquit its liabilities, in accordance with its basis of preparation on these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF- YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

NOTE 1 BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT (CONTINUED)

PL 110/94, PL111/94 and PL 54/98 – tenements subject to joint venture

On 22 January 2014 the Group entered into an amended Farm-in Joint Venture Agreement ("the Agreement") with BCL Limited ("BCL"), a major Botswana mining and smelting company owned by the Botswana Government and one of the world's largest nickel-copper producers Norilsk Nickel.

The Agreement relates to three of the Group's Prospecting Licences in Botswana where BML has made three discoveries: the Maibele North Ni-Cu-PGE project, the Airstrip Copper Cu-Ag project and the Dibete Cu-Ag project. The Agreement was subject to the condition precedent that the Department of Mines in Botswana extends PL 110/94, PL 111/94 and PL 54/98.

On 6 March 2014 the Group was advised that the three PLs had been extended and accordingly the condition precedent is satisfied. Under the Agreement, BCL will fund an initial USD$4 million exploration program and in return receive a 40% interest in the three PLs. BCL has the option to continue to fund the projects to the completion of a Bankable Feasibility Study to earn a 70% interest in the three PLs.

The joint venture agreement funds the Group's exploration activities on the three tenements, including the administration costs in Botswana, for a period of two years.

The Group is not required to make any funding contribution to the joint venture until the completion of a Bankable Feasibility Study. At that time the Group will consider its available options which include commencing contributions to the joint venture (which may require the Group to seek further equity or debt capital) or the sale of the Group's interest in the joint venture.

The Group expects that the expenditure on the tenements and the completion of the Bankable Feasibility Study will enhance the value of the tenements and thereby benefit the Group.

Other Prospecting Licences

The Group may carry out exploration on its other areas at its discretion and subject to the availability of funds, however there is no obligation to carry out such exploration. In addition, BCL has a first right of refusal to fund exploration on these other areas and therefore activities may be undertaken at no cost to the Company.

NOTE 2 CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities or contingent assets existing at the date of this report. The Group is not involved in any material, legal or arbitration proceedings and, so far as Directors are aware, no such proceedings are pending or threatened against the Group.

NOTE 3 SUBSEQUENT EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group is not aware of any subsequent events after the end of the reporting period to be included in these financial statements other than:

- On 21 January 2014 the Directors resolved to lift the moratorium on the payment of remuneration to Directors and Executives with effect from 1 January 2014.

- On 22 January 2014 the Group and BCL Limited executed through its 100% owned subsidiary company an amended Farm-in Joint Venture agreement so that the only condition precedent is the Department of Mines in Botswana ("DOM") extending PL 110/94, PL 111/94 and PL 54/98.

- On 19 February 2014 the Company's registered office and principal place of business was moved to Suite 506, Level 5, 1 Princess Street, Kew, Vic 3101.

- On 6 March 2014 the Group received advice that the DOM had extended PL 110/94, PL 111/94 and PL 54/98 for a period of two years commencing on 1 April 2014.

NOTE 4 SEGMENT INFORMATION

For the six months to 31 December 2013 the Group continued to operate solely on exploration of mineral resources in Africa.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 12 to 18.

a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001 and the Corporations Act 2001; and

b) give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Botswana Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors made on 14 March 2014.



P J VOLPE
Director

Dated this 14th day of March 2014.
Kew, Victoria

William Buck

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BOTSWANA METALS LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Botswana Metals Limited and controlled entities ('the Company') , which comprises the statement of financial position as at 31 December 2013, the statement of profit and loss and other comprehensive income , statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

— giving a true and fair view of the company's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and
— complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Botswana Metals Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

William Buck

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BOTSWANA METALS LIMITED AND CONTROLLED ENTITIES (CONT)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Botswana Metals Limited and controlled entities is not in accordance with the Corporations Act 2001 including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half year ended on that date; and
b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our opinion above, we draw attention to Note 1 to the financial statements, which describes the consolidated entity's application of the going concern basis of accounting. If the assumptions and statements set out in this Note do not eventuate, there is a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern, and therefore the consolidated entity may not be able to realise its assets and discharge its liabilities in the normal course of business.

Matters Relating to the Electronic Presentation of the Reviewed Half Year Financial Report

This auditor's review report relates to the half year financial report of Botswana metals Limited for the half year ended 31 December 2013 included on Botswana metals Limited's web site. The company's directors are responsible for the integrity of the Botswana Metals Limited web site. We have not been engaged to report on the integrity of the Botswana Metals Limited web site. The auditor's review report refers only to the half year financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half year financial report to confirm the information included in the reviewed financial report presented on this web site.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

R. H, Dummett
Director

Dated this 14th day of March, 2014